



LEGISLATIVE UPDATE

from **Senator Rosa Franklin**

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Dear Neighbors,

The 2002 session of the state Legislature presented us with many challenges that, at times, seemed insurmountable. Revenues took a dramatic decline after the September terrorist attacks. That was one of the key contributors to the \$1.5 billion hole in the budget. We were also facing transportation issues, including how to move forward on the Narrows bridge.

With a resolve to get the job done and get out of Olympia in 60 days, we did just that. Many painful budget decisions were made, but we did our best within available resources. Deeper budget cuts would not have been a prudent move, because they would have hurt too many people needing help.

In spite of the painful cuts, we were able to accomplish many good things. We made good policy decisions that will have positive effects on the lives of people, and we took actions that will stimulate the economy.

- A transportation package will be sent to voters in November. Voters will then decide whether to approve or reject a financing package designed to improve the state's transportation system.
- The capital budget includes funding for Stewart Heights Pool and much-needed repairs for our area's technical and community colleges.
- Credit scoring, family leave, collective bargaining, to name only a few, were among the good policy bills that passed. Several had been worked on for years.

The greatest disappointment was not being able to pass a bill to reduce the cost of prescription drugs. This issue will be on the agenda again next session.

This newsletter will provide you with more information about the challenges we faced and what we did in response to these challenges. I hope you will find it useful and informative. Please contact me if you have questions or need assistance.

Warm regards,

Rosa Franklin
May 2002



Transportation:

Roads, ferries and public transit

Under the proposal that will be on the ballot in November, voters will be asked to approve or reject a project list that will be funded by a 9-cent increase in the statewide gas tax (phased in over two years); a 30 percent increase in commercial trucking fees (also a two-year phase-in); and a 1 percent increase in the vehicle sales tax.

If the measure is approved, the average motorist will pay \$68 more each year in increased gas taxes. The proposal includes:

Central Puget Sound roads: More than \$3 billion out of the \$7.7 billion in new funding will be earmarked for major road projects in our area. An additional \$694 million will be used for high occupancy vehicle (HOV) lanes in the region.

Cities and counties: Over 10 years, Tacoma and other cities will receive \$75 million to use for local projects. Pierce County and the other counties will also receive \$75 million to share.

Ferries: \$688 million will be dedicated to major improvements to the ferry system.

Other projects: The remaining funds will go to rural areas and safety improvement projects.

Accountability. A citizens' commission will oversee the Department of Transportation audits, which are designed to ensure that public dollars are spent efficiently and effectively.

In casting their ballots in November, voters will need to think about some of the same facts that legislators wrestled with:

- Central Puget Sound is widely recognized as one of the most congested metropolitan areas in the nation.
- The gas tax has not been raised in 10 years.
- Since 1980, the state's population has increased 157 percent.
- Business leaders, including those at Boeing and Microsoft, have identified addressing transportation as the number one issue facing the business community and the future of the state economy.
- The state's farmers and growers must also get their agricultural goods to market quickly, and they need efficient transportation to do that.

The Budget: A balancing act— a \$1.5 billion shortfall



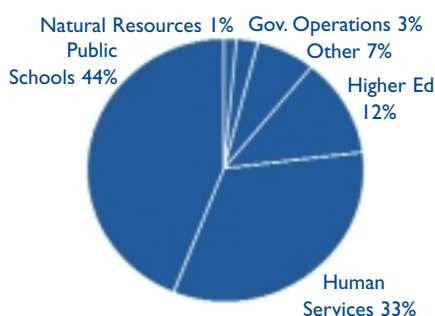
Washington was hit harder than most states by the national economic slowdown triggered by the terrorist attacks on Sept. 11. Boeing is a major employer in our state. The company's announcement that it

would lay off as many as 20,000 employees had a dramatic ripple effect. It swelled the ranks of the unemployed, giving Washington one of the highest unemployment rates in the country, and led to an \$800 million reduction in projected state revenues. And not only were revenues falling, but the demand for state services increased. School enrollments are up and more convicts are in our prisons, for example. This combination of decreasing revenues and increasing demands ballooned the state deficit to \$1.5 billion.

How was the budget balanced?

No increases in general taxes. At a time when the state's economy was slowing, it was not time to put any additional burden on families by increasing general taxes.

Reduced state services. All state services were cut, and none of the cuts were easy. Most of the state budget goes to paying for our public schools, community colleges and universities. But as a result of pressure to reduce the state budget, the Legislature is allowing colleges and universities to make up any loss in funding by increasing tuition. However, the Legislature retained the authority to limit the increases for in-state, non-graduate students. Community colleges will be able to increase tuition by as much as 12 percent; four-year institutions can boost them by as much as 16 percent.



Other cuts that contributed to the total \$684 million reduction in state spending include:

- City and county governments will receive \$72 million less from the state to make up for the reduction in the car tab tax (I-695 "backfill").
- Parks and environmental programs were cut by \$24 million.
- We also tapped new revenue sources. Additional revenue came from the reserve account, tobacco funds and multi-state lottery.

Where does this leave us?

We are hopeful that the economy will rebound. Otherwise, we will again face difficult decisions. Time will tell.

Update on health issues



Health-care costs once again are spiraling upward. The cost of prescription drugs has contributed to these

increases, but is not the only reason for rapidly escalating medical costs. For the past 10 years, dealing with health-care issues has been like squeezing a water-filled balloon — some new problem is

always coming to the surface.

Here are some of the more recent developments:

Expanded enrollment in the

Basic Health Plan. As a result of voter approval of a 60-cent per pack increase in cigarette taxes, an additional 47,000 low-income adults will be able to receive health care coverage through the Basic Health Plan. This will bring total enrollment in the plan to 172,000 by June 2003.

Stalled on prescription drugs. For many senior citizens, the rising cost of prescription drugs is forcing them to dig deeper into their pockets to pay for these increasingly important medications. I have sponsored several bills and supported others to help out. One that passed the Senate (Senate Bill 6368) would have used the state's purchasing power to negotiate lower drug prices for prescriptions, and those lower prices would have been passed on to anyone who wanted to join the state-purchasing cooperative. This bill passed the Senate, but received

strong opposition for various reasons and was not brought up for a vote in the House of Representatives.

Other issues:

Repealed the remainder of the car tab tax.

As a result of a state Supreme Court opinion, transit districts were said to still be able to collect about one-third of the car tab tax that the Legislature thought it had repealed in 2000. The Legislature acted this

session to repeal that remnant of the Motor Vehicle Excise Tax.

Racial profiling. This bill is a follow-up to the bill that passed two years ago. It puts into law a set of recommendations supported by the Washington Association of Sheriffs and Police Chiefs to address the issue of racial profiling. As the prime sponsor of both bills, I am heartened to report they both received bipartisan and community support.

Overtime for nurses. In an effort to ensure the highest standards of patient care, Senate Bill 6675 prohibits employers from requiring nurses to work overtime, except in emergencies or if the employer can't find additional nurses.

Backfill funding for health districts.

When the voters and the Legislature repealed the car tab tax in 1999, local health districts lost a revenue source. Since then, the Legislature has partially made up the losses with other funding. This year will be no exception, even in the face of extreme budget pressures. County health districts will continue to get 90 percent of the money they lost with the rollback of the car tab tax. That's \$25 million for local health.

Credit scoring. This new law protects purchasers of insurance policies (life, auto, homeowners) by restricting insurers from unfairly using credit histories to deny coverage or renewal of policies.

Family leave.

Under this law, employees will be able to use their vacation or sick leave to take care of a seriously ill family member, including a spouse, parent, grandparent, in-law or child.



Sen. Franklin met with members of the Lincoln High School basketball team, which the Senate recognized this session for winning its second consecutive 4-A state basketball championship title.

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Domestic violence. If a person is being stalked or harassed by an abusive partner, they can leave their job for their own protection, or their children's, and receive unemployment benefits.

Retraining unemployed workers. As part of unemployment insurance reform, additional retraining benefits will be available to laid off aerospace workers.

Ballot measure disclosure. To help voters better understand the impact an initiative could have on taxpayers and the state budget, this bill I sponsored will require the Office of Financial Management to provide information about the costs of proposed ballot measures. Furthermore, this helpful information will be included in the voters' pamphlet.

Prescription drug purchasing. This legislation, which I sponsored, calls upon state officials to explore the possibility of working with other Northwest states on joint-purchasing strategies to contain rising expenditures on prescription drugs.

Restoration of voting rights. This new law clarifies the notification process to offenders of their right to vote after all of their obligations, including financial obligations, are met.

Capital budget. With funding provided in the state capital budget, these local projects will move forward:

- **Stewart Heights Pool.** The budget provides \$500,000 in state funds for the south-end pool project. This project will provide jobs and boost the local economy.



- **Bates Community College.** About \$1 million will be provided for repairs and to upgrade heating systems at the college.
- **Tacoma Community College.** About \$2.3 million in state dollars will be available for upgrades to the heating and electrical systems.
- **Asia Pacific Center.** The budget provides \$50,000 toward the creation of a regional Center for Asian and Pacific Island arts, culture and business.
- **William H. Factory Small-Business Incubator.** This project receives \$250,000 in state funds to build a facility to house businesses in east Tacoma.

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